Defense Logistics Agency

CRM Cell/Organization Alignment Update
Mr. Don Neri

Presented to the CSR Conference
23 August 2004

Agenda

- **What I left you with last year**
- **What's happened over the past 12 months**
- **What might happen in the future and how it may impact you**

What I left you with last year …

- We are reengineering our business practices, putting a greater focus on our customers
- We are changing our organizational alignment to help establish a more structured, systematic customer relationship – effort started with BSM Release 1.0
- Decision made NOT to perpetuate Integrated Customer Teams (ICTs) for BSM Release 2.0
- CRM Cells to be developed as alternative to ICTs
- Cell build effort merged with BSM Organizational Alignment effort

What I left you with last year … (cont.)

- Cell build effort to focus on transactional business in support of BSM
  - Workflow, cost centers, reporting hierarchy
- Effort to include construction of entire “Left-Side” of BSM FOC Organization, i.e., cells, lPTs, Customer Support, etc.
- Initial design completed on 3 September 03
- Organizationally, aligned cells to appropriate Supply Chain owner (and general DCO at DSCP)
- Ultimate vision of CRM Cell to represent Enterprise to customer – will evolve as part of CRM effort

May 2003 Summit Cell Definition and Attributes

Definition	**The collection of all DLA resources that are assigned to focus on a specific customer or set of customers.**
Characteristics	• **Virtual teams, physical locations of members is functionally dependent by customer needs.** • **Variable composition based on customer needs.** • **Includes all Enterprise resources focused on cell supported customers.** • **May operates the same as the DCST with OPCON / ADCON relationships.** • **Variable models dependent on segment, supply chain interfaces and customer needs.** • **May support one or more DODAACs across**

The End-State Vision – Not current focus

Role of Cell/Cell Lead

- **CRM Cell:**
  - **Primary entry and exit point for all customer issues**
  - **Ensures that customer issues get to the right place in Enterprise for resolution**
  - **Reactive and proactive in nature – gathers intelligence and shares with enterprise to effect improved support**
  - **Helps educate customer about DLA**

- **Cell Lead/Supervisor:**
  - **“Integrator” among the various supply chains**
  - **Accountable for enterprise performance to Cell customers**
  - **Has “situational awareness” of issues affecting the cells customers**
  - **Acts as customer advocate and is empowered to represent the agency to the customer**
  - **Leads designated so far based on BSM organizations alone… when we expand cells to include other organizations, potential that cell lead no longer appropriate**

What's happened since last year…

- Completed Build of Cells -- built based on customer segments
- Mapped 530,354 DODAACs to Cells: all DODAACs mapped to one and only one cell
- Agreed that Cell to represent only BSM ICP managed supply chains to customer (Full enterprise representation to include DRMS, DESC, etc. TBD)
- Agreed that Cell to be led by ICP to which Cell is aligned
- Decided that Universal CAS be employed in some Cells
- Agreed that DLA-E and DLA-P have lead for engaging customers in their theaters to ensure comprehensive enterprise customer support
- Documented roles/relationships in CONOPS
- No cells built for non-transactional customers yet (Combatant Commanders)
- Ultimate strategic and operational relationships with existing customer touch points in the enterprise TBD

CSRs to be matrixed members of appropriate Cells

The role of the CSR in the Cell

- **CSRs are part of the Customer Relationship Management (CRM) function at DLA Headquarters and are located at a customer site. They serve as a corporate, strategic member matrixed to one or more applicable CRM cells. They represent DLA Headquarters and all DLA field activities, including those inside and outside of current BSM scope. They act as the single point of contact on site for the customer concerns and issues and interface with appropriate CRM cells, other supply chain personnel, including WSSMs as appropriate, and logistics service providers across DLA to resolve those concerns and issues.**

- **The CSR is distinct from the Customer Account Specialist (CAS) in the cell, and the Cell Supervisors, who are focused exclusively on support related to BSM supply chains and issues. The CAS is the primary customer-facing point of contact for order fulfillment for BSM items. The Cell Supervisor and CAS coordinate with applicable CSRs and other CRM personnel (including Customer Account Managers) to evaluate existing and potential customer requirements for BSM goods and services and develop or assist in development of methodology or innovative logistics solutions to meet customer requirements.**

- **As the on-site DLA representative, the CSR manages all visits to the customer, ensuring a unified Agency face. They also work with the CAM and cell personnel to establish Performance-Based Agreements for assigned customers.**

  - **Based on PDs, incorporated in Version 8 of the BSM CONOPS**

CRM Cell Summary

Segment	Cell Total and Indentures		Cells by Supply Chain Breakdown	CAS Type
Industrial	10	23	Aviation: 7 Maritime: 1 Land: 2	Universal CAS—CASs in Cell will cover all BSM items needed by customer, regardless of supply chain
Installation	30	41	C&E: 3 C&T: 11 Medical: 5 Subsistence: 11	Universal CAS except for "Other C&T, Other Medical, Other Subsistence and Other C&E Customers Cells" which will be matrixed
Operating Forces	12	52	Aviation: 7 Maritime: 3 Land: 1 DSCP DCO: 1	Matrixed CAS Support—support groups or teams provide cross-supply chain support
FMS	2	5	Aviation: 1 Maritime: 1	Matrixed CAS Support—support groups or teams provide cross-supply chain support
Other	5	20	Aviation: 1 Maritime: 1	Matrixed CAS Support—support groups or teams

Maritime
Customer Operations Organization Design

Segment Support Teams

Universal CAS

Matrixed CASs

D / DD DSCC

Maritime Customer Operations Directorate
Director/Deputy Director Customer Operations

NRP and Submarine Customer Facing Division

- Attack Submarine Cell Group Operational (688, 726, 774) - OF
- Trident Submarine Cell Group - OF

Ship & FMS Customer Facing Division

- Ship Maintenance Cell Group Industrial
- Surface Cell Group Operational - OF
- Army/Navy FMS Cell - FMS
- Other Navy Cell - Other
- Navy Installation and Other Support Team

Supports Installation Other and Enterprise Other Cells (Navy DODAACS) at DSCP

Readiness Division

- 21N (NRP) YNN (Anti-Terror Force Protection)
- JUN (OSPY MHC) JXN (AVENG MHC) EZN (TICON) JDN (ARL BRKE)
- 23N (TRID) 02N (SWS)
- 82N (ALRE) JAN (NIMITZ)
- EXN (SSN 688) JGN (SEA WOLF) YJN (SSN 774)

Item Planning Division

- Maritime Electronics IPT
- NRP and Maritime Valves/Hardware IPT
- Maritime Fluid Handling IPT
- Maritime IPT DSCR Detachment
- Maritime IPT DSCP Detachment
- Aviation IPT DSCC Detachment

Customer Support Division

- Customer Analysis Team
- Readiness and PBL Team
- CRM Team

IND= Industrial

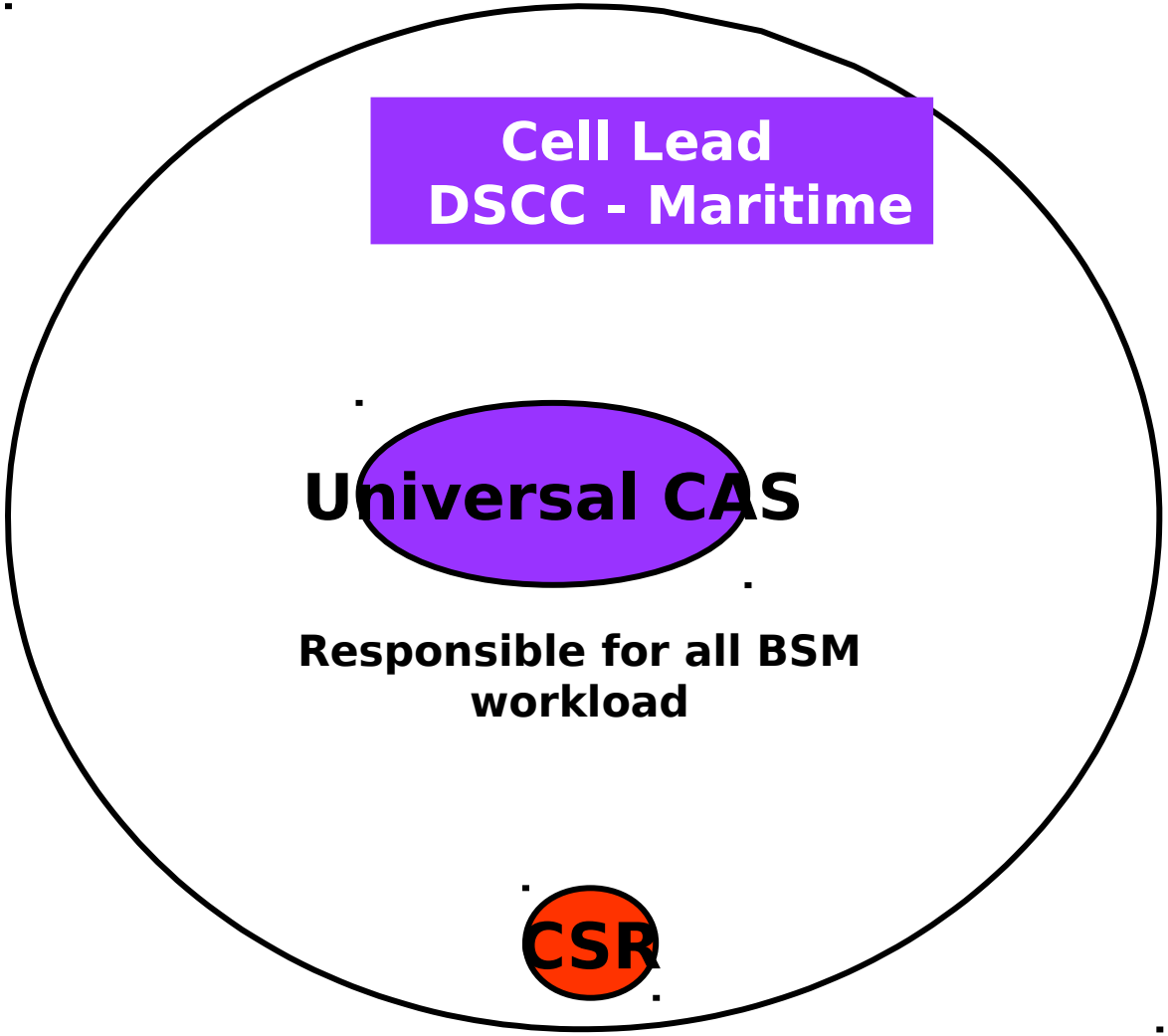
OF= Operating Forces

Other=Other

FMS=FMS

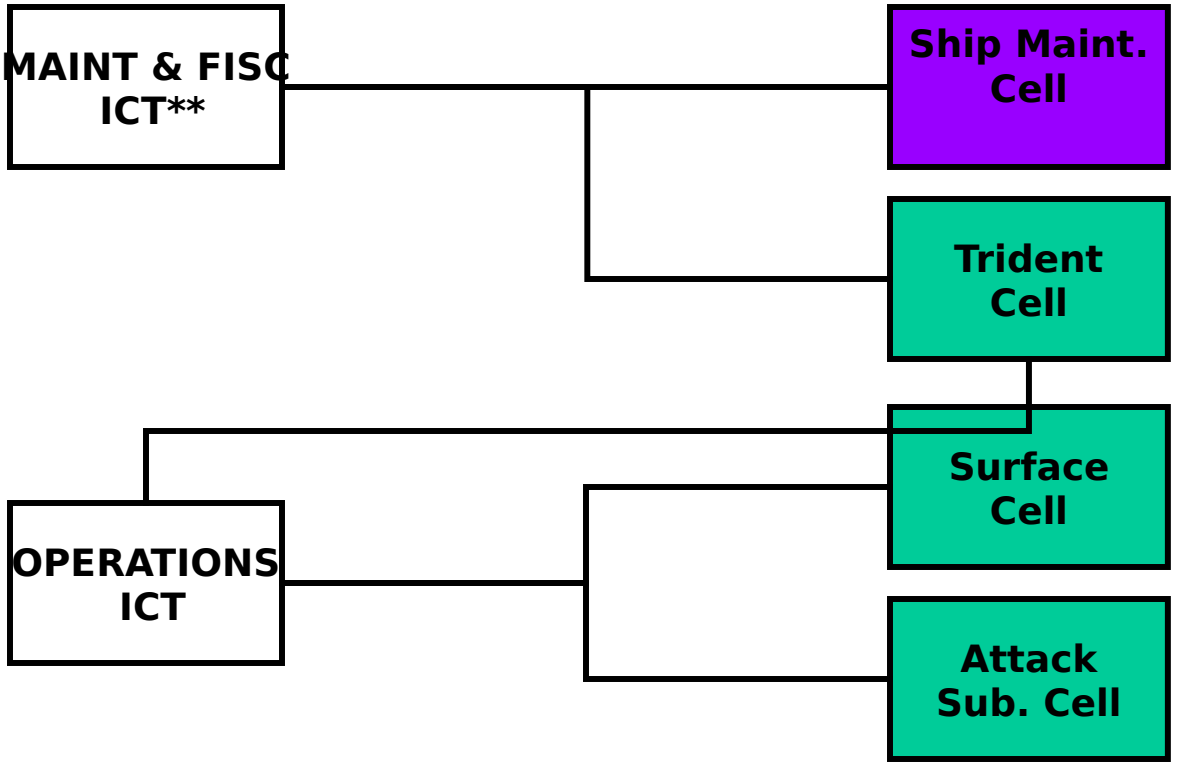
As of 9 March 2004

Example of Cell for Ship Maintenance Cell Group



Maritime Transition

Concept Demo R2.0 – August 2, 2004



**** Contains the following individual ICTs**

- Norfolk Naval Shipyard
- NADEP N. Island (LM2500)
- SIMA Norfolk
- TRF PACNORWEST
- Maritime Maint
- Puget Sound (FISC)
- Norfolk (FISC)
- San Diego (FISC)
- Other FISC

Land
Customer Operations Organization Design

Segment Support Teams

Universal CAS

Matrixed CASs

D/DD DSCC

Land Customer Operations Directorate
Director / Deputy Director Customer Operations

Customer Facing Division

- Operating Force Support Group-Army - OF
- Operating Force Cell Group-USMC - OF
- Industrial Cell Group-Army - IND
- Industrial Cell Group-USMC - IND
- USMC Other Cell - OF
- USMC, Army, Enterprise (Land) Other and Installation Support Team
- Transition Cell

Supports Installation Other and Enterprise Other Cells (USMC, Army, Civil Agency and DOD agency DODAACs) and Scott

Readines s Division

- Ground Combat Systems Team
- Tactical Vehicles Team
- USMC Systems
- Engineer Support Systems
- Air Defense/ Missile Systems

Item Planning Division

- IPT Combat Vehicles
- IPT Wheeled Vehicles
- Land IPT DSCR Detachment
- Land IPT DSCP Detachment

Customer Support Division

- Customer Analysis Team

Transition cell just for workflow temp. for new DODAACs until they are assigned

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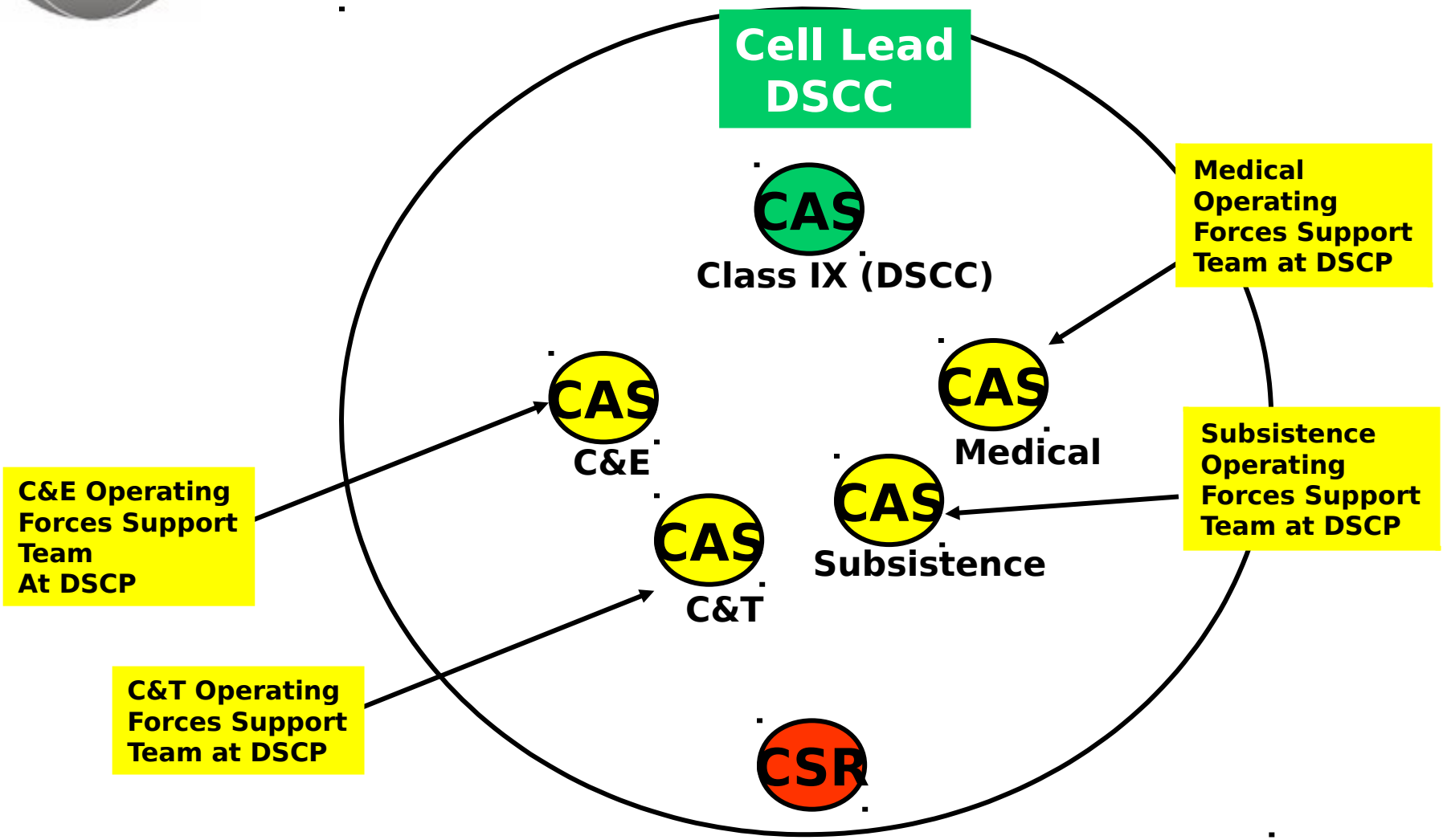
As of 9 March 2004

Example of Cell & Cell Support To Operating Force Cell Group - USMC



Aviation
Customer Operations Organization Design

Segment Support Teams

Universal CAS

Matrixed CASs

D/DD DSCR

Aviation Customer Operations Directorate
Director/Deputy Director Customer Operations

AF Customer Facing Division

- Oklahoma City ALC Cell - IND
- Ogden ALC Cell - IND
- Warner Robins ALC Cell - IND
- AF Operations Cell Group - OF
- AF Training (AETC) Cell - OF
- AF FMS Cell - FMS
- AF/Civil Aviation Other Cell - Other
- AF Installation and Other Support Team
- Weapon System Support Team

Navy Customer Facing Division

- NADEP NI Cell - IND
- NADEP Cherry Pt. Cell -IND
- NADEP JAX Cell - IND
- Naval Aviation Forces Cell - OF
- USMC Aviation Cell - OF
- Naval Air Training Cell - OF
- Weapon System Support Team

Army Customer Facing Division

- CCAD & SRA Cell – IND
- 101st Air Assault Cell - OF
- Army TRADOC Cell - OF
- Weapon System Support Team

Item Planning Division

- Aviation OEM 1 IPT
- Aviation OEM 2 IPT
- Aviation OEM 3 IPT
- Aviation Engines & Airframes 1 IPT
- Aviation Engines & Airframes 2 IPT
- Aviation Engines & Airframes 3 IPT
- Aviation Engines & Airframes 4 IPT
- Aviation SC Commodities 1 IPT
- Aviation SC Commodities 2 IPT
- Aviation SC Commodities 3 IPT
- Aviation IPT DSCP Detachment
- Aviation IPT DSCC Detachment
- Land IPT DSCR Detachment
- Maritime IPT DSCR Detachment

Customer Support Division

- Customer Analysis Team
- Readiness and PBL Team
- CRM Team
- Administration Team

Supports Installation Other and Enterprise Other Cells (AF DODAACS) at DSCP

As of 9 March 2004

IND= Industrial

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FMS=FMS

INST=

Subsistence
Customer Operations Organization Design

Segment Support Teams

Universal CAS

Matrixed CASs

D/DD DSCP

Subsistence Customer Operations Directorate
Director / Deputy Director Customer Operations

- Garrison Feeding Customer Facing Division
  - Northeast Region Cell - INST
  - Central Region Cell - INST
  - Southeast Region Cell - INST
  - West Region Cell - INST
  - Ships Cell - INST
  - Europe Region Cell - INST
  - Pacific Region Cell - INST
  - Middle East Cell - INST
- Other Customer Facing Division
  - DeCA Cell - INST
  - USDA Cell - INST
  - Other Subsistence Customers Cell - INST
  - Operating Forces Support Team
  - Other & FMS Support Team
  - Installation Support Team
- Item Planning Division
  - Institutional Feeding IPT
  - Operational Rations IPT
- Customer Support Division
  See DSCP Customer Operations Directorate

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OF= Operating Forces

Other=Other

FMS=FMS

As of 9 March 2004

Medical
Customer Operations Organization Design

Segment Support Teams

Universal CAS

Matrixed CASs

D/DD DSCP

Medical Customer Operations Directorate
Director / Deputy Director Customer Operations

- Tricare Customer Facing Division
  - North Tricare Region Cell - INST
  - South Tricare Region Cell - INST
  - West Tricare Region Cell - INST
- Field Agency Customer Facing Division
  - Field Agency/ Deployment Cell - INST
  - Operating Forces Support Team
- Other Customer Facing Division
  - Other Medical Customers Cell - INST
  - Other & FMS Support Team
  - Installation Support Team
- Item Planning Division
  - Pharmaceutical IPT
  - Medical/Surgical & Equipment IPT
- Customer Support Division
  See DSCP Customer Operations Directorate

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Other=Other

FMS=FMS

As of 9 March 2004

C & E
Customer Operations Organization Design

Segment Support Teams

Universal CAS

Matrixed CASs

D/DD DSCP

Construction & Equipment Customer Operations Directorate
Director / Deputy Director Customer Operations

- Customer Facing Division
  - Construction Cell - INST
  - Equipment Cell - INST
- Other Customer Facing Division
  - Other C&E Customers Cell - INST
  - Operating Forces Support Team
  - Other & FMS Support Team
  - Installation Support Team
- Item Planning Division
  - Constructio n IPT
  - Equipment IPT
- Customer Support Division
  See DSCP Customer Operations Directorate

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FMS=FMS

As of 9 March 2004

C & T
Customer Operations Organization Design

Segment Support Teams

Universal CAS

Matrixed CASs

D/DD DSCP

Clothing & Textiles Customer Operations Directorate
Director / Deputy Director Customer Operations

- Recruit Customer Facing Division
  - Army Recruit Cell - INST
  - Navy Recruit Cell - INST
  - USMC Recruit Cell - INST
  - AF Recruit Cell - INST
  - USCG Recruit Cell - INST
  - Clothing Sales Stores Cell - INST
  - National Guard & Reserves Cell - INST
- OCIE Customer Facing Division
  - Army CIF Cell - INST
  - USMC, Navy, USCG OCIE Cell - INST
  - Air Force Individual Equipment Element Cell - INST
- Other Customer Facing Division
  - Other C&T Customers Cell - INST
  - Operating Forces Support Team
  - Other & FMS Support Team
  - Installation Support Team
- Item Planning Division
  - Dress Clothing IPT
  - Field Clothing IPT
  - Organizational Clothing IPT
  - Individual Equipment IPT
- Customer Support Division
  See DSCP Customer Operations Directorate

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Other=Other

FMS=FMS

As of 9 March 2004

DSCP Customer Support Directorate

Customer Operations Organization Design

Segment Support Teams

Universal CAS

Matrixed CASs

D / DD DSCP

DSCP Customer Operations Directorate
Director/Deputy Director Customer Operations

- Customer Facing Division
  - Operating Forces Army Cell - OF
  - Army Other Cell - Other
  - Enterprise Other Cell - Other
  - Customer Engagement Team
- Readiness and Support Division
  - Customer Support Branch
    - Corporate Marketing & Customer Publications
    - Virtual Contact Center
    - Customer Analysis
  - Readiness Support Branch
    - Joint Quarterly Readiness Review/FLOW
    - Command Control Center
  - DSCP Europe and Pacific Liaisons
- DSCP Europe
- DSCP Pacific

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As of 9 March 2004

Status of Organization Stand-Up

- On August 2, 2004, new BSM organizational structures created at DSCC, DSCR and DSCP…but legacy also stays in place until BSM FOC
- Few new people transitioned from legacy for BSM 2.0 – While all Cells created – some Cell Leads currently responsible for more than one cell
- No new items included in BSM Release 2.0
- As BSM implementation continues (item rollout and added functionality) personnel at DSCC, DSCR and DSCP will gradually transition from legacy to new jobs and Cells will "take on life"
- BSM PDs were updated and some new supervisory roles created, including cell supervisor
- HQ organization and CRM jobs of NAM, CAM, CSR, CAAO and NAAO will be updated with some pen-and-ink changes (e.g., ICT-to-Cell) to support BSM changes, but don't anticipate extensive changes for R2
- WSSM PD now considered a "CRM PD" (still reports to FAs) and being evaluated for update and series change to 346 (Logistics Management Specialist)
- New "CRM" PD developed and approved for "Customer Analyst" reporting to FAs

DLA org alignment is not finished… Examples of key “as Is” CRM initiatives

“CRM Strategy” Value Proposition Analysis

Customer Value Creation

Customer Interaction Strategy

Segmentation

PBA

Customer Engagement

Segmentation

DLA has been doing CRM activities for some time. The “as is” initiatives will be consumed by the overall CRM framework

Transaction and Service Execution

“Operational CRM” Enabling Technologies, Tools & Processes

Customer Intelligence

“Analytic CRM” Customer Intelligence Tools

Manageme…

Customer Metrics

Culture

Dennison Model

Customer Profile

Enterprise Customer Master

Customer Metrics

Performance Measurement

Customer Satisfaction Survey

Customer Intelligence

Organization CRM Cells

Virtual Contact Centers

VCC

Expo’s

Training

Self Service

Opportunity Management

Web

Collaboration

Customer Service Handbook

=“As Is” Initiative

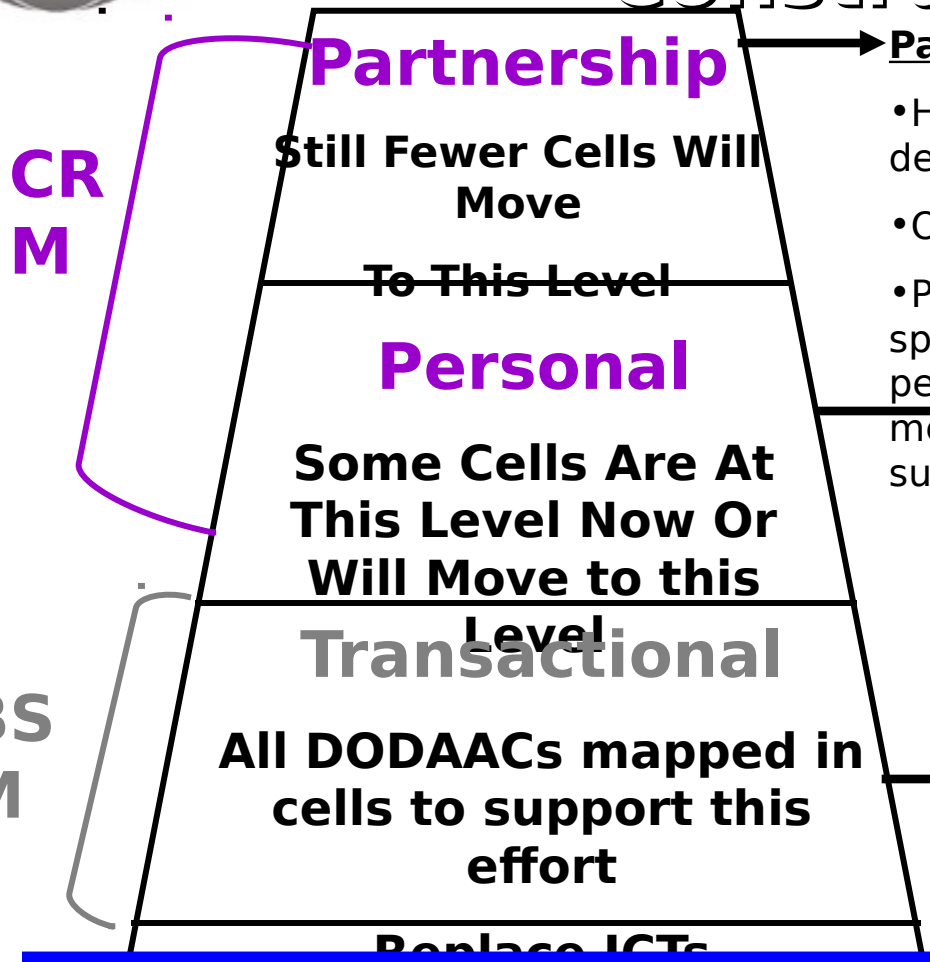
Overall Trends in Customer-Facing Jobs

- We have seen and will continue to see, formalization of "CRM jobs"
- Greater span of responsibilities and comprehension of DLA Enterprise capabilities (though for BSM some of this is process-focused, CASs do OF, DPs do DP)
- More emphasis on logistics rather than just "supply"
- Deliberate focus on customer knowledge rather than item-focus
- Greater expectations for performance analysis via metrics and PBA reviews
- Significant reliance on teaming and reach-back to supply side
- Greater skills in such arenas as service, sales and marketing and collaboration (small "c" and BSM-DP-specific)

What's next in Organization Alignment

If cells were built to support BSM transactional issues, how can they support a CRM strategy which includes such concepts as customer partnerships?

Incorporating CRM Strategy into Basic Cell Construct: Notional



Partnership Cell

- Higher degree of dedicated staffing
- On-site support
- PBA that sets special performance metrics for cell support

Personal Cell

- Dedicated Cell
- Planning at customer level
- On-Site Support
- Tailored Support

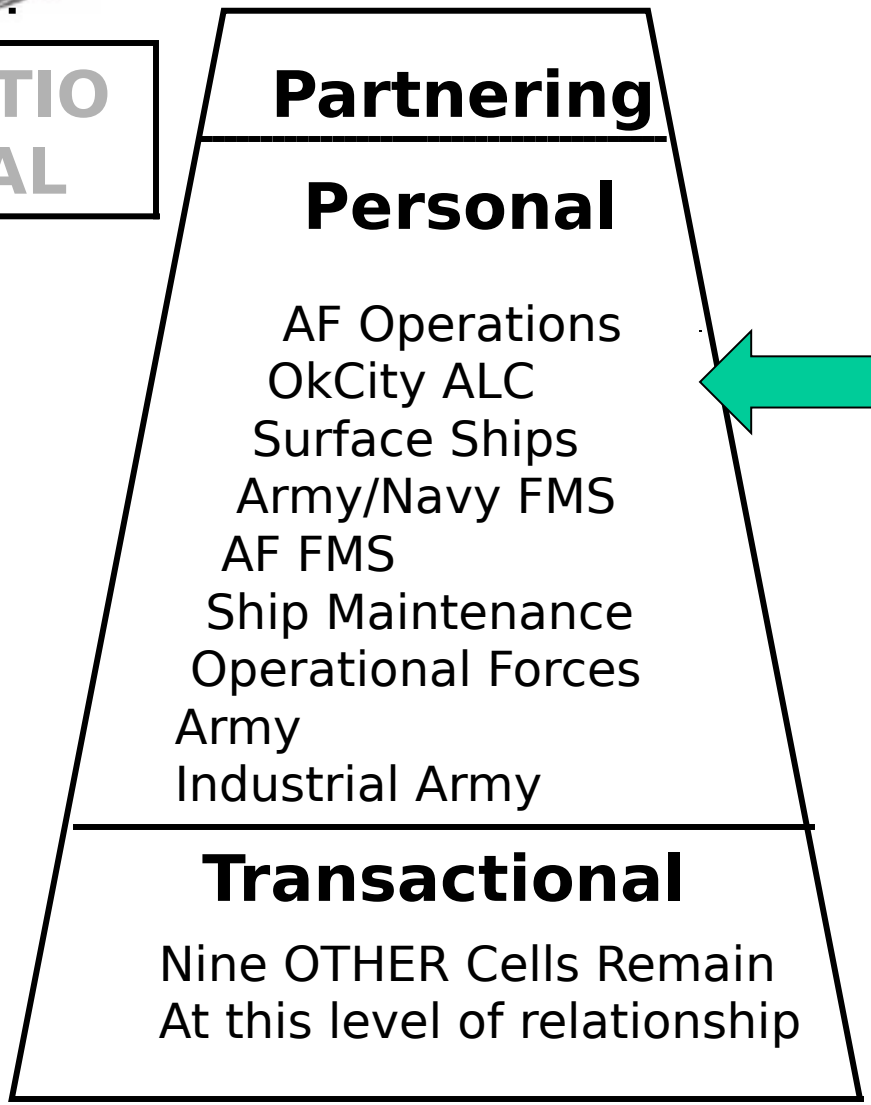
BSM Transactional Considerations (i.e., workflow)

- Accommodated for all cells.
- At least 44% of customers will go

BSM cells will transform based on evolving CRM strategy; deliberate changes in composition and level of

Future Evolution of Cells

NOTIONAL



Calculated Decisions
Need to be made
By the DLA Enterprise on
Which customers get which
Relationships and on
What business and
Customer strategies
To apply

Customer-facing jobs will also change as CRM roles are added

e.g., Civ Agencies

Role Work Moving Forward

- **Clarify role of CRM Cell Lead going forward– do they become more than BSM support? Different report chain for cell lead necessary?**
- **Continue full cell staffing standup as appropriate for item rollout**
- **Assess roles and functions going forward.**
- **Determine interfaces and relationships of all customer touch roles in DLA**
- **Refine demand/supply alignment process**
- **Continue to support staffing models to determine Customer Operations full-up staffing**
- **Continue to identify and train for trends in workforce skills, knowledge and responsibilities**

The Role of the CSR going forward …

- **Placing a DLA resource forward with a customer sends that customer a significant message and promises a higher relationship**
- **DLA followed the practice of placing CSRs with our most important customers intuitively for years**
- **Opportunity for CAS role as transactional to free the CSR to fully meet broader support needs of customers (May choose to put both CAS and CSR forward)**
- **Final determination of CSR role and relationship to Cells part of broader CRM effort with External Service Provider**